

Manufacturers' Shipments, Inventories, and Orders

December 1975



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New orders for durable goods in December increased by 0.7 percent or \$273 million to \$41.853 billion after seasonal adjustment, the Bureau of the Census, Department of Commerce, announced today. The earlier release of this information based upon a smaller sample of respondents had indicated a 0.5 percent decline.

All the transportation industries reported increases but the automotive industry dominated with an increase of \$1,260 million. These increases were largely offset by declines in machinery, both electrical (\$578 million) and nonelectrical (\$491 million) and fabricated metals (\$409 million). New orders for capital goods, which are heavily influenced by the machinery and transportation industries, declined \$429 million to \$11,799 million in December. Both the defense and nondefense components declined.

Inventories in manufacturing showed a small increase of 0.1 percent or \$115 million to \$146,786 million at the end of December. This increase continues the small monthly gains that have been reported since October. The December pattern was similar to November as durable goods inventories declined but did not offset the rise in nondurable goods inventories.

¹ It should be noted that new orders for the motor vehicles industry are not reported as such but are estimated as equal to shipments. Hence, a sizeable decrease in shipments is necessarily accompanied by a similar decrease in new orders.

Shipments of all manufacturers rose 0.3 percent in December to \$86.902 billion. The pattern was mixed as durable goods shipments rose 0.2 percent or \$679 million, but nondurable goods declined 1.0 percent or \$443 million. Among the durable goods industries, a large increase was recorded in transportation (\$862 million), but declines occurred in machinery (\$337 million) and primary metals (\$181 million).

Since the shipments of durable goods continued to exceed orders received, the backlog of unfilled orders continued to be reduced, dropping \$1,325 million or 1.1 percent to \$112,595 million at the end of December. Large declines were recorded in the machinery industries, both nonelectrical (\$482 million) and electric (\$383 million), and fabricated metals industries (\$443 million).

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for January is scheduled for release on February 23, 1976 and the full report is scheduled for release on March 3, 1976.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.



U.S. DEPARTMENT OF COMMERCE Bureau of the Census

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Bureau of the Census, Industry Division, Washington, D.C. 20233. For sale by the Subscriber Services Section (Publications), Bureau of the Census, Washington, D.C. 20233 or any Department of Commerce District Office. Price: 15 cents per copy, \$1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Dec. 1975 ^p	Nov. 1975 ^r	Oct. 1975	Dec. 1975 ^p	Nov. 1975 ^r	Dec. 1974	Dec. 1975 ^p	Nov. 1975 ^r	Oct. 1975	Dec. 1975 ^p	Nov. 1975 ^r	Dec. 1974
All manufacturing industries:												
Total.....	86,902	86,666	87,704	81,918	86,228	75,406	146,786	146,671	146,510	146,378	146,101	149,762
Total, excluding transportation.....	76,937	77,563	77,968	72,974	76,376	68,027	125,710	125,303	125,210	125,380	124,570	128,829
Durable goods industries, total.	43,182	42,503	43,908	40,208	42,245	38,158	95,720	95,953	96,215	95,115	95,429	97,198
Stone, clay, and glass products.	2,249	2,263	2,391	1,989	2,233	1,830	3,611	3,585	3,605	3,534	3,439	3,642
Primary metals, total.....	6,385	6,566	6,844	5,790	6,167	6,690	13,914	13,898	13,776	14,155	13,960	12,038
Blast furnaces, steel mills.	3,338	3,283	3,488	2,981	2,981	3,531	7,627	7,618	7,536	7,879	7,732	5,937
Nonferrous metals.....	2,053	2,161	2,183	1,892	2,103	2,156	4,692	4,720	4,655	4,687	4,711	4,364
All other primary metals....	994	1,122	1,173	917	1,083	1,003	1,595	1,560	1,585	1,589	1,517	1,737
Fabricated metal products total.....	5,338	5,250	5,511	5,092	5,191	4,712	10,972	10,970	10,914	10,702	10,742	11,482
Metal cans, barrels, and drums.....	549	542	606	472	475	495	772	708	759	704	659	1,015
Machinery, except electrical, total.....	7,620	7,832	7,776	7,278	7,255	7,443	20,970	21,105	21,503	20,976	21,045	21,552
Engines and turbines.....	575	590	635	668	567	806	1,730	1,764	1,788	1,756	1,806	1,864
Farm machinery and equipment.	772	879	770	620	666	665	1,877	1,810	1,955	1,877	1,759	1,925
Construction, mining, and material handling equipment.	1,746	1,780	1,765	1,515	1,598	1,488	4,868	4,946	5,008	4,932	4,922	4,393
Metalworking machinery.....	521	536	547	540	501	622	1,745	1,781	1,792	1,729	1,784	1,809
General industrial machinery	841	837	845	836	791	772	2,011	2,013	2,054	1,991	1,987	1,833
Electrical machinery, total...	5,401	5,526	5,634	5,443	5,684	5,117	13,318	13,237	13,245	13,073	13,099	14,413
Electrical transmission and distribution equipment and industrial apparatus.....	1,070	1,129	1,100	1,060	1,135	1,053	2,786	2,864	2,870	2,772	2,828	3,194
Household appliances.....	769	812	850	712	782	657	1,159	1,094	1,089	1,144	1,072	1,264
Radio and TV.....	402	464	505	442	528	405	1,124	1,031	990	1,042	1,012	1,210
Communication equipment.....	1,208	1,222	1,285	1,281	1,248	1,303	4,137	4,167	4,226	4,088	4,142	4,169
Transportation equipment, total	9,965	9,103	9,736	8,944	9,852	7,379	21,076	21,368	21,300	20,998	21,531	20,933
Motor vehicles and parts....	6,930	6,006	6,429	5,825	6,742	4,490	5,881	5,978	6,002	5,898	6,056	6,718
Aircraft, missiles, and parts.....	1,969	2,056	2,099	2,106	2,119	2,077	11,851	12,008	11,987	11,745	12,035	10,813
Shipbuilding and railroad equipment.....	561	525	659	620	531	477	2,644	2,714	2,617	2,654	2,790	2,547
Instruments and related products, total.....	1,546	1,520	1,530	1,531	1,549	1,344	3,880	3,817	3,818	3,749	3,744	4,180
Scientific and engineering..	778	781	799	747	761	713	1,975	1,937	1,934	1,941	1,914	2,125
All other instruments and related products.....	768	739	731	784	788	631	1,905	1,880	1,884	1,808	1,830	2,055
All other durable goods industries.....	4,678	4,443	4,486	4,141	4,314	3,643	7,979	7,973	8,054	7,928	7,869	8,958
Nondurable goods industries, total.....	43,720	44,163	43,796	41,710	43,983	37,248	51,066	50,718	50,295	51,263	50,672	52,564
Food and kindred products, total.....	14,070	14,064	14,275	13,936	14,258	13,372	11,935	11,909	11,687	12,299	12,441	12,816
Meat products.....	3,166	3,264	3,138	3,128	3,219	2,703	1,233	1,347	1,272	1,244	1,364	1,233
Fats and oils.....	1,261	1,250	1,262	1,206	1,323	1,190	1,031	1,025	868	1,115	1,120	1,228
Tobacco products.....	667	718	639	651	723	600	3,252	3,248	3,262	3,424	3,252	3,107
Textile mill products.....	3,136	3,138	3,008	3,038	3,177	2,262	4,663	4,610	4,473	4,515	4,425	4,661
Paper and allied products, total.....	3,630	3,712	3,580	3,423	3,650	3,097	4,564	4,573	4,571	4,563	4,501	4,736
Pulp, paper, etc.....	1,754	1,755	1,700	1,684	1,721	1,396	1,757	1,759	1,745	1,754	1,740	1,665
Paperboard containers.....	815	783	813	751	772	745	1,188	1,182	1,175	1,170	1,176	1,297
All other paper containers..	1,061	1,174	1,067	988	1,157	956	1,619	1,632	1,651	1,639	1,585	1,774
Chemicals and allied products, total.....	7,957	7,814	7,762	7,097	7,427	6,118	10,787	10,836	10,750	10,863	10,682	10,666
Industrial chemicals, except pigments.....	2,613	2,514	2,523	2,402	2,398	2,047	3,047	2,989	2,968	3,111	2,995	2,892
Drugs, soap, and toiletries.	2,025	2,036	2,052	1,875	2,026	1,636	3,621	3,710	3,638	3,589	3,607	3,522
Petroleum and coal products...	5,670	5,967	5,871	5,741	5,916	4,970	4,443	4,301	4,242	4,522	4,419	3,994
Rubber and plastics products, n.e.c.....	2,032	2,113	2,098	1,833	2,037	1,715	2,935	2,925	2,964	2,952	2,911	3,287
All other nondurable goods industries.....	6,558	6,637	6,563	5,991	6,795	5,114	8,487	8,316	8,346	8,125	8,041	9,297

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Dec. 1975 ^P	Nov. 1975 ^R	Oct. 1975	Dec. 1975 ^P	Nov. 1975 ^R	Dec. 1974	Dec. 1975 ^P	Nov. 1975 ^R	Oct. 1975	Dec. 1975 ^P	Nov. 1975 ^R	Dec. 1974
All manufacturing industries:												
Total.....	85,628	85,943	86,422	80,910	85,304	72,894	117,838	119,108	119,832	116,640	117,649	132,345
Total, excluding transportation.....	75,632	77,414	77,263	72,190	76,138	65,647	86,562	87,864	88,012	85,666	86,452	98,282
Durable goods industries, total.	41,853	41,580	42,393	39,215	41,101	36,024	112,595	113,920	114,845	111,525	112,518	128,563
Primary metals, total.....	6,271	6,276	6,877	6,118	6,214	6,338	11,724	11,838	12,126	11,306	10,977	16,593
Blast furnaces, steel mills.	3,321	3,076	3,632	3,325	3,116	3,186	6,920	6,937	7,143	6,616	6,271	9,804
Nonferrous metals.....	1,993	2,177	2,161	1,913	2,097	2,153	2,640	2,700	2,684	2,558	2,538	3,305
Fabricated metal products.....	4,893	5,302	5,282	4,694	5,108	4,227	17,476	17,919	17,867	17,352	17,751	19,582
Machinery, except electrical, total.....	7,138	7,629	7,425	6,823	7,058	7,109	25,174	25,656	25,859	24,995	25,451	29,371
Engines and turbines.....	548	565	601	643	520	952	6,766	6,794	6,819	6,737	6,762	7,167
Construction, mining, and material handling equipment.	1,545	1,725	1,545	1,270	1,507	1,488	5,851	6,052	6,107	5,746	5,991	7,273
Metalworking machinery.....	472	482	486	482	435	510	1,617	1,666	1,720	1,622	1,681	2,493
General industrial machinery.	772	810	857	843	805	704	3,527	3,596	3,622	3,524	3,517	3,358
Electrical machinery, total...	5,017	5,595	5,510	5,212	5,550	4,654	18,674	19,057	18,989	18,845	19,077	20,742
Electrical transmission and distribution equipment and industrial apparatus.....	987	1,137	931	1,003	1,118	908	5,554	5,636	5,628	5,555	5,612	6,439
Household appliances.....	769	806	826	713	769	644	112	112	117	106	105	91
Radio and TV.....	366	545	513	427	541	371	473	509	429	453	468	471
Communication equipment.....	1,029	1,233	1,309	1,174	1,152	1,198	7,008	7,187	7,176	7,205	7,313	7,182
Transportation equipment, total.....	9,996	8,529	9,159	8,720	9,166	7,247	31,276	31,244	31,820	30,974	31,197	34,063
Aircraft, missiles, and parts.....	1,978	1,865	1,829	1,941	1,751	2,405	20,075	20,066	20,258	19,840	20,005	21,230
Shipbuilding and railroad equipment.....	469	364	487	464	322	265	8,172	8,263	8,424	8,036	8,192	8,483
All other durable goods industries.....	8,538	8,249	8,140	7,648	8,005	6,449	8,271	8,206	8,184	8,053	8,065	8,212
Nondurable goods industries, total.....	43,775	44,363	44,029	41,695	44,203	36,870	5,243	5,188	4,987	5,115	5,131	3,782
Industries with unfilled orders.....	10,018	10,492	10,295	9,624	10,631	8,025	5,243	5,188	4,987	5,115	5,131	3,782
Industries without unfilled orders.....	33,757	33,871	33,734	32,071	33,572	28,845	-	-	-	-	-	-

- Represents zero. ^PPreliminary. ^RRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Dec. 1975 ^p	Nov. 1975 ^r	Oct. 1975	Dec. 1975 ^p	Nov. 1975 ^r	Dec. 1974	Dec. 1975 ^p	Nov. 1975 ^r	Oct. 1975	Dec. 1975 ^p	Nov. 1975 ^r	Dec. 1974
	Shipments						Total inventories					
All manufacturing industries, total..	86,902	86,666	87,704	81,918	86,228	75,406	146,786	146,671	146,510	146,378	146,101	149,762
Durable goods industries, total.....	43,182	42,503	43,908	40,208	42,245	38,158	95,720	95,953	96,215	95,115	95,429	97,198
Nondurable goods industries, total.....	43,720	44,163	43,796	41,710	43,983	37,248	51,066	50,718	50,295	51,263	50,672	52,564
Industry groups arranged by market categories:												
Home goods and apparel.....	8,150	8,127	8,138	7,267	8,150	5,841	12,912	12,691	12,565	12,476	12,232	14,397
Consumer staples.....	17,166	17,296	17,390	16,925	17,516	15,976	19,413	19,525	19,463	19,787	19,824	19,904
Equipment and defense products, except automotive.....	11,367	11,401	11,712	11,213	10,915	11,170	37,743	38,238	38,466	37,601	38,171	37,809
Automotive equipment.....	8,082	7,173	7,626	6,783	7,809	5,324	7,439	7,498	7,549	7,451	7,534	8,491
Construction materials, supplies, and intermediate products.....	6,758	6,581	6,708	6,137	6,464	5,434	12,572	12,560	12,558	12,375	12,317	12,989
Other materials and supplies and intermediate products.....	35,379	36,088	36,130	33,593	35,374	31,661	56,707	56,159	55,909	56,688	56,023	56,172
Supplementary series: ²												
Household durable goods industries.....	3,469	3,564	3,618	3,277	3,571	2,801	6,526	6,361	6,325	6,340	6,201	7,307
Capital goods industries.....	12,597	12,713	13,044	12,623	12,500	12,607	42,334	42,869	43,022	42,129	42,848	42,271
Nondefense.....	11,000	10,977	11,178	10,907	10,719	10,906	34,519	35,045	35,292	34,356	34,976	35,765
Defense.....	1,597	1,736	1,866	1,716	1,781	1,701	7,815	7,824	7,730	7,773	7,872	6,506
	New orders						Unfilled orders					
All manufacturing industries, total..	85,628	85,943	86,422	80,910	85,304	72,894	117,838	119,108	119,832	116,640	117,649	132,345
Durable goods industries, total.....	41,853	41,580	42,393	39,215	41,101	36,024	112,595	113,920	114,845	111,525	112,518	128,563
Nondurable goods industries, total.....	43,775	44,363	44,029	41,695	44,203	36,870	5,243	5,188	4,987	5,115	5,131	3,782
Industry groups arranged by market categories:												
Home goods and apparel.....	8,145	8,164	8,138	7,206	8,114	5,614						
Consumer staples.....	17,176	17,295	17,378	16,937	17,529	15,977	2,408	2,404	2,367	2,318	2,367	2,239
Equipment and defense products, except automotive.....	10,770	11,197	10,870	10,658	10,253	10,776	60,060	60,543	60,970	59,856	60,315	65,706
Automotive equipment.....	8,196	6,951	7,491	6,880	7,700	6,103						
Construction materials, supplies, and intermediate products.....	6,606	6,642	6,452	5,885	6,368	4,995	15,915	16,066	16,006	15,676	15,928	17,493
Other materials and supplies and intermediate products.....	34,735	35,694	36,093	33,344	35,340	30,456	39,455	40,095	40,489	38,790	39,039	46,907
Supplementary series: ²												
Household durable goods industries.....	3,452	3,619	3,629	3,232	3,545	2,628	1,748	1,765	1,710	1,671	1,716	1,702
Capital goods industries.....	11,799	12,228	11,885	11,713	11,609	11,995	68,146	68,943	69,429	67,807	68,719	74,472
Nondefense.....	10,417	10,690	10,689	10,220	10,311	10,229	43,220	43,801	44,090	42,786	43,474	49,789
Defense.....	1,382	1,538	1,196	1,493	1,298	1,766	24,926	25,142	25,339	25,021	25,245	24,683

¹During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^pPreliminary. ^rRevised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.
Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.
Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.
Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1969-74	
	Nov.- Dec. 1975	Oct.- Nov. 1975	Sept.- Oct. 1975	3 months			12 months Dec. 1974 Dec. 1975	Average rise	Average decline
				Sept.- Dec. 1975	June- Sept. 1975	Mar.- June 1975			
Shipments:									
All manufacturing industries.....	+0.3	-1.2	+1.6	+0.2	+2.2	+1.4	+0.7	+1.5	-1.4
Durable goods industries, total.....	+1.6	-3.2	+1.5	0.0	+2.3	+1.2	+0.5	+1.9	-2.0
Nondurable goods industries, total.....	-1.0	+0.8	+1.8	+0.5	+2.2	+1.7	+1.0	+1.3	-1.0
Total inventories:									
All manufacturing industries.....	+0.1	+0.1	+0.1	+0.1	-0.4	-0.7	-0.2	+0.8	-0.1
New orders:									
All manufacturing industries.....	-0.4	-0.6	+1.1	0.0	+2.1	+2.6	+0.9	+1.9	-1.8
Durable goods industries, total.....	+0.7	-1.9	+0.4	-0.3	+2.1	+3.4	+0.9	+2.5	-2.7
Nondurable goods industries, total.....	-1.3	+0.8	+1.9	+0.5	+2.2	+1.8	+1.1	+1.3	-1.1
Unfilled orders:									
Durable goods industries, total.....	-1.2	+0.8	-1.3	-1.1	-0.1	-0.9	-1.2	+1.7	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Dec. 1975 ^P	Nov. 1975 ^P	Oct. 1975	Dec. 1975 ^P	Nov. 1975 ^P	Oct. 1974	Dec. 1975 ^P	Nov. 1975 ^P	Oct. 1975	Dec. 1975 ^P	Nov. 1975 ^P	Oct. 1974
	Total						Materials and supplies					
All manufacturing industries, total..	146,786	146,671	146,510	146,378	146,101	149,762	50,326	50,506	50,729	50,955	50,559	54,649
Durable goods industries, total.....	95,720	95,953	96,215	95,115	95,429	97,198	30,624	30,980	31,072	30,900	31,046	33,576
Stone, clay, and glass products.....	3,611	3,585	3,605	3,534	3,439	3,642	1,319	1,329	1,339	1,324	1,319	1,437
Primary metals.....	13,914	13,898	13,776	14,155	13,960	12,038	6,192	6,333	6,238	6,485	6,502	5,647
Machinery (electrical and nonelectrical)	34,288	34,342	34,748	34,049	34,144	35,965	10,129	10,228	10,393	10,141	10,108	11,284
Transportation equipment.....	21,076	21,368	21,300	20,998	21,531	20,933	4,419	4,640	4,600	4,479	4,735	4,933
All other durable goods industries.....	22,831	22,760	22,786	22,379	22,355	24,620	8,565	8,450	8,502	8,471	8,382	10,275
Nondurable goods industries, total.....	51,066	50,718	50,295	51,263	50,672	52,564	19,702	19,526	19,657	20,055	19,513	21,073
Chemicals and allied products.....	10,787	10,836	10,750	10,863	10,682	10,666	4,305	4,313	4,401	4,349	4,282	4,450
Petroleum and coal products.....	4,443	4,301	4,242	4,522	4,419	3,994	1,112	1,088	1,083	1,132	1,092	939
Rubber and plastics products, n.e.c.....	2,935	2,925	2,964	2,952	2,911	3,287	1,031	973	1,006	1,034	993	1,251
All other nondurable goods industries.....	32,901	32,656	32,339	32,926	32,660	34,617	13,254	13,152	13,167	13,540	13,146	14,433
	Work in process						Finished goods					
All manufacturing industries, total..	48,909	48,862	48,810	48,320	48,847	48,912	47,551	47,303	46,971	47,103	46,695	46,201
Durable goods industries, total.....	41,167	41,140	41,175	40,724	41,174	41,023	23,929	23,833	23,968	23,491	23,209	22,599
Stone, clay, and glass products.....	471	481	478	444	443	455	1,821	1,775	1,788	1,766	1,677	1,750
Primary metals.....	4,365	4,279	4,267	4,345	4,261	3,700	3,357	3,286	3,271	3,325	3,197	2,691
Machinery (electrical and nonelectrical)	14,783	14,706	14,913	14,649	14,763	15,738	9,376	9,408	9,442	9,259	9,273	8,943
Transportation equipment.....	14,716	14,851	14,784	14,623	14,918	14,157	1,941	1,877	1,916	1,896	1,878	1,843
All other durable goods industries.....	6,832	6,823	6,733	6,663	6,789	6,973	7,434	7,487	7,551	7,245	7,184	7,372
Nondurable goods industries, total.....	7,742	7,722	7,635	7,596	7,673	7,889	23,622	23,470	23,003	23,612	23,486	23,602
Chemicals and allied products.....	1,706	1,789	1,783	1,726	1,772	1,630	4,776	4,734	4,566	4,788	4,628	4,586
Petroleum and coal products.....	1,180	1,117	1,097	1,166	1,123	1,077	2,151	2,096	2,062	2,224	2,204	1,978
Rubber and plastics products, n.e.c.....	456	487	494	464	487	566	1,448	1,465	1,464	1,454	1,431	1,470
All other nondurable goods industries.....	4,400	4,329	4,261	4,240	4,291	4,616	15,247	15,175	14,911	15,146	15,223	15,568

^PPreliminary.^RRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Dec. 1975 ^p	Nov. 1975 ^r	Oct. 1975	Dec. 1974	Dec. 1975 ^p	Nov. 1975 ^r	Oct. 1975	Dec. 1974
All manufacturing industries, total.....	1.69	1.69	1.67	1.89	2.48	2.49	2.46	2.96
Durable goods industries, total.....	2.22	2.26	2.19	2.40	3.00	3.03	2.97	3.56
Stone, clay, and glass products.....	1.61	1.58	1.51	1.80	(NA)	(NA)	(NA)	(NA)
Primary metals.....	2.18	2.12	2.01	1.61	1.84	1.80	1.77	2.33
Fabricated metals.....	2.06	2.09	1.98	2.39	3.65	3.81	3.64	4.52
Machinery, except electrical.....	2.75	2.69	2.77	2.78	3.30	3.28	3.33	3.82
Electrical machinery.....	2.47	2.40	2.35	2.89	3.46	3.45	3.37	4.05
Transportation equipment.....	2.12	2.35	2.19	2.58	6.13	6.28	6.00	7.45
Instruments and related products.....	2.51	2.51	2.50	3.19	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.17	1.15	1.15	1.35	0.53	0.50	0.50	0.45
Food and kindred products.....	0.85	0.85	0.82	0.92	(X)	(X)	(X)	(X)
Tobacco products.....	4.88	4.52	5.10	4.80	(X)	(X)	(X)	(X)
Textile mill products.....	1.49	1.47	1.49	2.05	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.26	1.23	1.28	1.44	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.36	1.39	1.38	1.54	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.78	0.72	0.72	0.80	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.44	1.38	1.41	1.72	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the Annual Survey of Manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments—Shipments in the monthly survey are equivalent to value of shipments as reported

in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories—End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if

feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders—Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They

also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

